

CHAPTER 14.01 PURCHASING

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Chapter 14.1. - PURCHASING

1. Procedures to Authorize VR Services for Consumers

[REVISED: 4/9/18]

1. This policy does not apply to purchases for VR clients at WWRC. See [Chapter 13, WWRC, Policy 2](#).
2. Timeliness.
The VR counselor shall make every effort to ensure timely authorization of services (per 2016 [Federal Regulation 34 CFR § 361.50](#)).
3. Case status.
The case must be in AWARE in Application status or beyond.
4. Methods.

- a. Authorizations must be in writing. For purchase under emergency situation that requires verbal instead of written authorization, [see Policy 4 of this chapter](#).
 - b. The Authorization Form, or Small Purchase Charge Card (SPCC) for clients, or store gift card/fuel card is used by DRS staff to authorize the vendor to provide the services (including goods). For Authorization form and screen, [see Policy 2](#) of this chapter. For Small Purchase Charge Card, [see Policy 2: Section C](#) of this chapter. For store gift card and fuel card, [see Policy 2: Section E](#) of this chapter.
 - c. The information must always also be entered into the AWARE Authorization Page screen.
5. Single purchase.

The counselor may split a single purchase among different vendors (e.g., authorizing personal computer hardware from one vendor and the required adaptive device from another vendor) or may split the purchase into a series of authorizations to the same vendor (e.g., authorizing additional therapy sessions with the same service provider). However, based on the total amount of the authorizations for a single purchase, the counselor must, when required by DRS written policy and procedure, obtain documentation of supervisory pre-approval, medical or dental consultant pre-approval, insurance carrier pre-approval, and quotes from multiple vendors.

Note 1: A single purchase for a hearing aid includes the required ear molds, hearing aid(s), necessary batteries, one orientation session, and a follow-up check although the purchase extends over a period of time.

Note 2: A single purchase for a personal computer includes the hardware (i.e., CPU, monitor, printer, etc.), input device (i.e., mouse, keyboard, etc.), software (i.e., operating, applications, etc.), accessories (i.e. mouse pad, surge protector, etc.), and assistive technology. The computer furniture and training are separate purchases from the computer system.
6. Sole source.

Purchases from a sole source private vendor require the DARS commissioner pre-approval and must be processed through the Logistical Support and Supplies unit in the DARS Central Office (per agency mandate). Sole source means a determination has been made that there is only one vendor practicably available for a particular service or goods (e.g., the community is served by only one physician, "used" equipment, only one brand name is recommended in the needs assessment and there is only one dealer/distributor that sells that brand). A purchase in which only one brand name meets client needs is not a sole source if there are at least two dealers/distributors that sell that brand.
7. Fee schedule.

DRS established, as is our option under federal regulation (per 2016 [Federal Regulation 34 CFR § 361.50](#)), a fee schedule designed to ensure reasonable costs to the Vocational Rehabilitation program for each purchased service or goods. The fees are published in the [DARS Services Reference Manual](#) and the DRS Training and Facilities Manual and updated as needed. If the service has a Service/Item (S/I) code and a fee amount, the counselor can authorize for that amount, subject to policies for consumer financial participation, comparable benefit, school training funding, and self-employment enterprise funding. Contact Robert J. Johnson in

DARS DDS if a client is effectually being denied a necessary service because the fee is so low that no vendor will accept it.

8. Price quotes.

- a. If the service is a medical service not listed in the [DRS Services Reference Manual](#), the DARS medical consultant establishes the fee (see [Chapter 8.14, PHYSRES, Policy 1](#)).
- b. If the service has a Service/Item (S/I) code but no fee amount, the counselor shall obtain quote(s) from qualified vendor(s). The number of quotes varies by the purchase amount:
 - i. Less than \$5,000 requires one price quote (oral or written) documented in the case file (per agency mandate). Counselors are expected to rotate the use of vendors and to ensure the price reasonableness of the quote. If the quote does not meet the consumer's VR needs, or if this is the first time the counselor has purchased the service (including goods), the counselor may wish to obtain an additional quote or to consult another counselor or the supervisor about the reasonableness of the price quote.
 - ii. \$5,000 to \$50,000. Obtain a minimum of four (4) quotes in writing or electronically. If the counselor is unable to obtain four quotes, the justification must be documented (i.e., sole source, there are only two vendors, etc.).
 - iii. Over \$50,000. Obtain a minimum of six (6) written quotes. If the counselor is unable to obtain six quotes, the justification must be documented.
- c. Proper documentation of a price quote means description of services to be provided, name and address of vendor, first and last name of vendor contact who provides the quote, date quote is given and length of time for which quote is valid, anticipated date service will begin (or goods will be delivered), total cost, and payment terms.
- d. DRS staff shall make every effort to secure quotes from minority- or women-owned businesses when these vendors can meet quality and performance specifications (per [§ 2.2-4310 of the Code of Virginia](#)). A directory of minority-owned businesses is available in every DRS local office.
- e. When multiple quotes are required, award to other than the lowest bidder must be pre-approved in writing by management in accordance with the pre-approval dollar level policy. The counselor must attach written justification and pre-approval to the bid document. Justification may include location of vendor to consumer, DARS or DRS or counselor past experience with the vendor, delivery date or service start date, maintenance and repair services, product warranty on goods, etc.
- f. Quotes are not required for purchases from a government entity (i.e., city transit authority, Consumer Services Board, community college, state licensing agency) or for purchases under state contract (i.e., supported employment services, interpreter services) since a fee schedule is established in the contract.

9. Exemption from state sales tax.
When the purchase is exempt from state sales tax, the counselor shall make sure the purchase price does not include state sales tax. For information on exemption from state sales tax, see [Policy 2: Section D](#) of this policy.
10. Leases.
When authorizing room and board under a housing rental agreement, the client name, not DARS or DRS, must be used on the rental agreement.
11. Consumer cannot obligate DARS.
If the client incurs an expense before the counselor authorizes the vendor in writing to provide the goods or services, DRS shall not be obligated to pay for it or to reimburse the client (per 2016 [Federal Regulation 34 CFR § 361.50](#) (e)). Contractual negotiations undertaken by a client (or family) with a vendor are not binding upon DARS or DRS staff. DARS must comply with state purchasing requirements and cannot be obligated to contract for services through a particular vendor (per [§ 2.2-4303 of the Code of Virginia](#)).
12. Consumer loans.
DRS shall not make monetary loans to clients.
13. Additional requirements.
For additional procedures for authorizing a specific service (i.e., needs assessment, supervisory pre-approval, prescriptions, insurance carrier pre-approval, agency fund code) see the policy for the service.

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[2. Use of Forms and AWARE Screens](#)

[A. Use of Authorization Page Screen and Authorization Form](#)

[REVISED 5/1/16]

1. The Authorization Page in AWARE must be completed.
Do not keep a paper copy; your AWARE logon and password is your "signature" for internal purposes.

Note: DRS has designed the Authorization Form to meet the federal requirement for written authorization of services (per 2016 [Federal Regulation 34 CFR § 361.50](#)). The Form serves as the purchase order, therefore Purchase Order Form DGS 41-056 is not required for any purchases for VR clients (per Department of General Services).
2. Vendor copy.
The counselor shall:

- a. Send a signed Authorization Form to the vendor, except do not send it when using the Small Purchase Charge Card (to avoid double billing).
 - b. Ensure the printed Authorization Form clearly indicates the vendor's obligation (e.g., surgery and post-op report, personal computer system and warranty and delivery and installation, bill insurance first, etc.).
 - c. Attach the appropriate Release form when required by confidentiality policy (see [Chapter 1.1, CONFIDENTIALITY, Policy 1, Section D](#)).
 - d. Attach the Administrative Voucher when purchasing services from another agency of the Commonwealth of Virginia that accepts them.
 - e. Ensure the authorization amount does not include state sales tax when the purchase is exempt from state sales tax.
 - f. Prepare a separate Authorization Form for each vendor when multiple vendors are involved (e.g., when authorizing surgery, prepare a separate form for the hospital, physician, and anesthesiologist).
3. On-site authorization.
It is not necessary for DRS staff to accompany the client on every type of purchase. At counselor discretion, the client may take the Authorization Form to the vendor.
 4. Consumer copy.
Send a copy to the client upon request.
 5. Expiration.
AWARE automatically puts 180-day expiration date on the Authorization to notify the vendor. AWARE automatically cancels any amount on an Authorization left unpaid 180 days after the Authorization Date (not the effective date of the service). If the service is still required, the counselor must generate a new Authorization. This applies to all service items. No exceptions or waivers shall be granted.

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[B. Use of Cancellation Order](#)

[REVISED: 3/1/08]

Cancel the authorization in AWARE and send written notice to the vendor.

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C. Use of Small Purchase Charge Card (SPCC) for Clients

[REVISED: 7/1/27/9/2020]

1. Definition.
Cardholder means the person named on the account and the card itself.
2. Application for SPCC.
Supervisory pre-approval and supervisor and cardholder training are required before DRS staff may apply for a SPCC.
3. For purchases for VR clients.
 - a. Only the cardholder is authorized to use the Small Purchase Charge Card (SPCC) for clients.
 - b. SPCC may be used to purchase services and "expendable" (e.g., medications, gasoline, etc.) and "non-expendable" (e.g. tools, textbooks, etc.) tangible goods for VR clients.
 - c. Purchases made with the SPCC are subject to all existing purchasing policies within this Policy and Procedure Manual, including but not limited to: consumer financial participation, use of comparable benefits, exemption from state sales tax, etc.
 - d. There is a monthly limit. See [Small Purchase Charge Card Program \(Spcc\) And Program Administrator \(PA\) Policies And Procedures](#)~~Small Purchase Charge Card Users Manual~~ — Client Services.
 - e. There is a transaction limit. [Small Purchase Charge Card Program \(Spcc\) And Program Administrator \(PA\) Policies And Procedures](#)
[See Small Purchase Charge Card Users Manual](#) — Client Services.
 - e.f. [All purchases shall comply with DARS' Fiscal Policies and Procedures located on the DARS' Intranet page.](#)
4. Misuse.
See [Small Purchase Charge Card Program \(Spcc\) And Program Administrator \(PA\) Policies And Procedures](#)~~Small Purchase Charge Card Users Manual~~ — Client Services.
5. Cardholder responsibilities.
See [Small Purchase Charge Card Program \(Spcc\) And Program Administrator \(PA\) Policies And Procedures](#)~~Small Purchase Charge Card Users Manual~~ — Client Services.
6. Supervisor responsibilities.
See [Small Purchase Charge Card Program \(Spcc\) And Program Administrator \(PA\) Policies And Procedures](#)~~Small Purchase Charge Card Users Manual~~ — Client Services.

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D. Use of ST-12 Virginia Sales and Use Tax Exemption Certificate

[REVISED: 7/1/12]

1. The Virginia Use and Tax Exemption Certificate (Department of Taxation ST-12 form) notifies the vendor that DARS is exempt from state sales tax. The vendor keeps this on file for audit purposes. A vendor that is being used by DARS for the first time will usually not have this form on file. If the state sales tax exemption applies to the purchase, the counselor shall attach an Exemption Certificate (ST-12 form) to the Authorization form. If field staff need assistance with the form, call the DARS designated vendor services personnel.
2. DARS is exempt from paying Virginia sales tax on goods purchased for consumers when:
 - a. The counselor provides a voucher or certification from DARS (i.e., Authorization Form) and the vendor bills the agency directly (or DARS uses an official purchase order to be paid out of public funds), or
 - b. DARS retains title to the item (see [Chapter 8.18, TOOLS, Policy 1](#)), or
 - c. The good is specifically exempt from state sales tax.
3. Goods specifically exempt from state sales tax under [§ 58.1-609.10 of the Code of Virginia](#) are:
 - a. Medicines, drugs, hypodermic syringes, artificial eyes, contact lenses, eyeglasses and hearing aids dispensed by or sold by prescriptions or work orders of licensed physicians, dentists, optometrists, ophthalmologists, opticians, audiologists, and hearing aid dealers and fitters.
 - b. Wheelchairs and parts therefore, braces, crutches, prosthetic devices, orthopedic appliances, catheters, urinary accessories, and other durable medical equipment and devices, and related parts and supplies specifically designed for those products when such items or parts are purchased by or on behalf of an individual for use by such individual.
 - c. Special equipment installed on a motor vehicle when purchased by a person with a disability to enable such person to operate the motor vehicle.
 - d. Special typewriters and computers and related parts and supplies designed for those products used by individuals with disabilities to communicate when a licensed physician prescribes such equipment.
4. Except for goods specifically exempt by law in subsection B4(b), purchases by the consumer typically will not be exempt from the state sales tax, even when DARS will reimburse the individual.

Example 1: The VR counselor approves a clothing allowance for a VR client. The client purchases the clothes. The counselor issues the Authorization form to the consumer to reimburse the consumer. The purchase is not exempt.

Example 2: The VR counselor approves a clothing allowance for a VR client. The counselor issues the Authorization for clothes to the retail store. The purchase is exempt.

Example 3: A licensed physician prescribes a computer for a VR client. The purchase is exempt from state sales tax regardless of whether the client purchases it, insurance pays for it, or the counselor issues an Authorization to the vendor or issues a Direct Authorization to reimburse the client.

5. Lodging, meals, and food expenses are taxable under state law.

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[E. Use of Store Gift Card and Fuel Card Gift Cards for Client Purchases](#)

[REVISED: ~~12/3/18~~7/9/2020]

- ~~1. Fuel and gift~~Gift cards.

The counselor ~~and / or support staff~~ may purchase store gift cards ~~and fuel cards~~ for the VR client use as needed for vocational rehabilitation.

- ~~2. All store and fuel gift card purchases shall comply with DARS' Small Purchase Charge Card Program (Spcc) And Program Administrator (PA) Policies and Procedures Fiscal Policies and Procedures located on the DARS' Intranet page.~~

- ~~3. The purchase of VISA, Mastercard, or other generalized monetary gift cards is not allowed.~~

- ~~2.4. Log.~~

DRS staff shall maintain a log of each card issued and to whom.

- ~~3.5. Client Receipt of Gift Card Letter Client Acknowledgment letter.~~

The counselor shall provide the ~~Client Receipt of Gift Card Gift/Fuel Card Client Acknowledgment Letter~~ to the client for signature. It is mandatory that ~~the client acknowledge receipt of the gift card by signing the the client sign the Client Receipt of Gift Card Gift/Fuel Card Client Acknowledgment Letter or acknowledged receipt by email before receiving the card and the staff shall and the staff shall~~ keep the signed letter in the client case record. Client usage of the card shall signify receipt and agreement to use the card only for the VR purpose stated.

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